

2SHB 2603 - S COMM AMD

By Committee on Economic Development, Trade & Innovation

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 34.05.110 and 2009 c 358 s 1 are each amended to read as follows:

(1) Agencies must provide to a small business a copy of the state law or agency rule that a small business is violating and a period of at least two business days to correct the violation before the agency may impose any fines, civil penalties, or administrative sanctions for a violation of a state law or agency rule by a small business. If no correction is possible, the requirements in this subsection do not apply.

(2) Except as provided in subsection ~~((+3+))~~ (4) of this section, agencies shall waive any fines, civil penalties, or administrative sanctions for first-time paperwork violations by a small business.

~~((+2+))~~ (3) When an agency waives a fine, penalty, or sanction under this section, when possible it shall require the small business to correct the violation within a reasonable period of time, in a manner specified by the agency. If correction is impossible, no correction may be required and failure to correct is not grounds for reinstatement of fines, penalties, or sanctions under subsection ~~((+4+))~~ (5)(b) of this section.

~~((+3+))~~ (4) Exceptions to requirements of subsection (1) of this section and the waiver requirement in subsection (2) of this section may be made for any of the following reasons:

(a) The agency head determines that the effect of the violation or waiver presents a direct danger to the public health, results in a loss of income or benefits to an employee, poses a potentially significant threat to human health or the environment, or causes serious harm to the public interest;

1 (b) The violation involves a small business knowingly or willfully
2 engaging in conduct that may result in a felony conviction;

3 (c) The violation is of a requirement concerning the assessment,
4 collection, or administration of any tax, tax program, debt, revenue,
5 receipt, a regulated entity's financial filings, or insurance rate or
6 form filing;

7 (d) The ~~((waiver is))~~ requirements of this section are in conflict
8 with federal law or program requirements, federal requirements that are
9 a prescribed condition to the allocation of federal funds to the state,
10 or the requirements for eligibility of employers in this state for
11 federal unemployment tax credits, as determined by the agency head;

12 (e) The small business committing the violation previously violated
13 a substantially similar ~~((paperwork))~~ requirement; or

14 (f) The owner or operator of the small business committing the
15 violation owns or operates, or owned or operated a different small
16 business which previously violated a substantially similar
17 ~~((paperwork))~~ requirement.

18 ~~((+4))~~ (5)(a) Nothing in this section prohibits an agency from
19 waiving fines, civil penalties, or administrative sanctions incurred by
20 a small business for a paperwork violation that is not a first-time
21 offense.

22 (b) Any fine, civil penalty, or administrative sanction that is
23 waived under this section may be reinstated and imposed in addition to
24 any additional fines, penalties, or administrative sanctions associated
25 with a subsequent violation for noncompliance with a substantially
26 similar paperwork requirement, or failure to correct the previous
27 violation as required by the agency under subsection ~~((+2))~~ (3) of
28 this section.

29 ~~((+5))~~ (6) Nothing in this section may be construed to diminish
30 the responsibility for any citizen or business to apply for and obtain
31 a permit, license, or authorizing document that is required to engage
32 in a regulated activity, or otherwise comply with state or federal law.

33 ~~((+6))~~ (7) Nothing in this section shall be construed to apply to
34 small businesses required to provide accurate and complete information
35 and documentation in relation to any claim for payment of state or
36 federal funds or who are licensed or certified to provide care and
37 services to vulnerable adults or children.

38 ~~((+7))~~ (8) As used in this section:

1 (a) "Small business" means a business with two hundred fifty or
2 fewer employees or a gross revenue of less than seven million dollars
3 annually as reported on its most recent federal income tax return or
4 its most recent return filed with the department of revenue.

5 (b) "Paperwork violation" means the violation of any statutory or
6 regulatory requirement that mandates the collection of information by
7 an agency, or the collection, posting, or retention of information by
8 a small business. This includes but is not limited to requirements in
9 the Revised Code of Washington, the Washington Administrative Code, the
10 Washington State Register, or any other agency directive.

11 (c) "First-time paperwork violation" means the first instance of a
12 particular or substantially similar paperwork violation."

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13 On page 1, line 2 of the title, after "businesses;" strike the
14 remainder of the title and insert "and amending RCW 34.05.110."

EFFECT: A small business is one with 250 or fewer employees or
less than \$7 million in revenue.

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